REPORT OF THE

SEAFOOD STUDY COMMISSION

REPORT TO THE

1989 GENERAL ASSEMBLY

OF NORTH CAROLINA

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NORTH CAROLINA GENERAL ASSEMBLY

December 12, 1988

TO THE MEMBERS OF THE 1989 GENERAL ASSEMBLY:

Pursuant to Section 24.4 of Chapter 873, Part XXVII of the 1987 Session Laws, the Seafood Study Commission hereby submits its final report of recommendations and findings to the North Carolina General Assembly.

Respectfully submitted,

Senator Marc Basnight
Senate Co-chairman

Representative Vernon G. James
House Co-chairman

TABLE OF CONTENTS

I. Introduction..... 1

II. Recommendations and Findings of the Seafood Study Commission for the 1989 North Carolina General Assembly..... 2

III. Proceedings of the Seafood Study Commission for the 1989 North Carolina General Assembly..... 4

IV. Appendix

A. Committee membership and staff..... 11

B. Proposed legislation..... 12

I. Introduction

The Seafood Study Commission was created in 1987 and was authorized by Section 24.4 of Chapter 873, Part XXVII of the 1987 Session Laws. The Commission consists of three Senators appointed by the President of the Senate and three Representatives appointed by the Speaker of the House. One of the three Senators and one of the three Representatives was appointed co-chairman. Additional members include three persons appointed by the Governor and two persons appointed by the Commissioner of Agriculture.

The charge to the Commission was to study the current seafood industry in North Carolina. This included studies of the feasibility of increasing the State's production, processing, and marketing of seafood and of increasing the role of aquaculture in North Carolina. In addition, the Commission was authorized to consider any other issues relevant to the study of the State's seafood industry.

The Commission has diligently pursued its charge as reflected in its recommendations. This final report and recommendations serve as the beginning for monitoring and studying the seafood industry in the State of North Carolina.

II. Recommendations and Findings

A. The Commission recommends that the General Assembly appropriate $368,257 for the 1989-90 fiscal year and $268,257 for the 1990-91 fiscal year to the Marine Fisheries Division of the Department of Natural Resources and Community Development for a shellfish mapping survey. The survey will obtain detailed information on the coastal area and will designate areas suitable for aquaculture.

1. The Commission finds that there is insufficient information on the location and quantity of shellfish including, oysters, clams and scallops, and that detailed mapping of all shellfish on the entire coastal area is needed to meet today's demands for fisheries management, aquaculture, protection of the coastal environment, and future development in the State of North Carolina.

2. The Commission finds that the potential for expanding aquaculture in this State exists, but that it has been hampered because appropriate areas suitable for aquaculture have not been designated.

B. The Commission recommends that the General Assembly appropriate $413,471 for the 1989-90 fiscal year and $155,471 for the 1990-91 fiscal year to the Division of Marine Fisheries to expand the capabilities of the Oyster Rehabilitation Program by adding a 65 foot vessel for operation in northern Pamlico Sound, including the areas of Stumpy Point Bay, Oregon Inlet, Roanoke Sound, and the Outer Banks.

1. The Commission finds that the current capabilities of one vessel with shallow draft capabilities in the Oyster Rehabilitation Program cannot meet the needs of the entire Pamlico Sound area.

2. The Commission finds that it is necessary to obtain a new vessel which can carry 2,000 or more bushels of shell and can be fitted with a conveyor for transplanting of oyster stocks.

C. The Commission recommends that the General Assembly appropriate $793,500 for the 1990-91 fiscal year to the Division of Marine Fisheries for a proposed facility which should provide approximately 4500 gross square feet of space divided between laboratory and office space.

1. The Commission finds that the North Carolina Division of Marine Fisheries facilities currently house the Division of Marine Fisheries and Coastal Management, Shellfish Sanitation, Food Science and Fishery Resources.

2. The Commission finds that due to the increased importance of those agencies and their subsequent growth, the current facilities have become inadequate.

D. **The Commission recommends that the General Assembly appropriate $1,000,000 for the 1989-91 biennium to the Division of Marine Fisheries for continued expansion of the Oyster Cultch Program and Shellfish Relay Program.**

1. The Commission finds that North Carolina has the capacity to expand their oyster and shellfish production.

2. The Commission finds that production may be increased by methods including: implantation of oyster cultch material; and oyster relaying from polluted to nonproductive areas.

E. **The Commission recommends that the General Assembly enact legislation to create a permanent commission entitled the Joint Legislative Commission on Seafood and Aquaculture.**

1. The Commission finds that it has made extensive progress concerning the seafood industry in the coastal areas, but that the progress should be monitored, studied, and expanded.

2. The Commission finds that aquaculture is a state-wide activity and that the focus of the Commission should be expanded to improve and increase the aquaculture program.

3. The Commission finds that there are numerous regulatory issues that should be studied including: whether there is a need for a centralized permitting office; and whether North Carolina would be better represented if the State were split between the Atlantic and South Atlantic Regions of the National Marine Fisheries.

III. Proceedings

The eleven member Seafood Study Commission met six times and, in addition, held two public hearings. The Commission also toured several sites in the State relating to the seafood and aquaculture industries. The Commission was organized under the leadership of Senator Marc Basnight of Dare County and Representative Vernon James of Pasquotank County.

The Commission held its first meeting on February 5, 1988 in Raleigh, North Carolina and discussed the importance of the Commission because of the Red Tide problems. Mr. Wayne Miller, Director of the Division of Marketing in the Department of Agriculture outlined the promotional plans for the enhancement of seafood. Mr. Mike Marshall, Chief of the Development Section of the Division of Marine Fisheries discussed the Division's responsibilities with respect to marine and estuarine resources of the State. Mr. Marshall presented a document prepared by his Division entitled, "Criteria For Site Selection and Planting Procedures in the Oyster Rehabilitation Program." The 1986-87 oyster harvest was the largest ever for North Carolina and, with additional money, could be worth substantially more. North Carolina grossed 1.7 million dollars compared with the Maryland program which grossed 10 million dollars.

Dr. Robert Cook, Assistant Dean, School of Agriculture and Life Sciences, North Carolina State University, discussed the hybrid-striped bass program.

Mr. Ted Williams, Deputy Director of Administration, Division of Marine Fisheries, Department of Natural Resources and Community Development discussed the Red Tide problem.

The Seafood Study Commission held a public hearing and meeting on February 29, 1988 and March 1, 1988 in Beaufort, North Carolina. The public hearing was conducted to hear from anyone interested in the issues studied by the Commission including: seafood in North Carolina, its production, processing, marketing and aquaculture. Several issues surfaced at the public hearing. Among the concerns were the following: protection of the independent fisherman; complaints about the licensing and permitting procedures; stealing of clams around the docks, indicating a need for more strict enforcement of penalties to protect leased bottoms; and concern about the potential for another Red Tide.

On March 1, 1988, the Seafood Study Commission met. Mr. George Howard spoke about his efforts to establish an aquaculture venture near Sea Level. He wanted to put in a shellfish program and incorporate finfish and shrimp in it. His project has since been approved.

Mr. Robert Benton, Supervisor of the Shellfish Sanitation Program of the North Carolina Department of Human Resources discussed regulations concerning shellfish sanitation. Although several states have depuration plants which cleanse oysters and clams by pumping clean water through and around them

with ultra-violet light to kill organisms, it has not been cost effective in North Carolina.

Mr. Bruce Williams, with the North Carolina Food and Drug Protection Division of the North Carolina Department of Agriculture, discussed the Seafood Inspection Program and the regulation of seafood products in-state and out-of-state.

The Division of Marine Fisheries prepared comments concerning its organization and activities. The Division discussed the Artificial Reef Program. There has been a marked increase in artificial reef development and an additional increase in oyster rehabilitation capabilities. Due to these increases, there is a need to expand the program to adequately serve the State. Comments from local fishermen at local meetings indicate that there is a pressing need for a shallow-draft oyster rehabilitation vessel for northern Pamlico Sound. Currently, one vessel is used for all shallow water planting activities north of Morehead City. A vessel specifically designed for northern Hyde and Dare counties would be better suited for use in that area.

The Seafood Study Commission had its next public hearing on April 6, 1988 in Manteo, North Carolina, and its meeting on April 7, 1988 in Swan Quarter, North Carolina.

The Commission discussed the Wanchese Seafood Industrial Park project and toured a commercial fishing boat and seafood processing plant.

Professor Mike Castagna, Assistant Director of the Virginia Institute of Marine Science, College of William and

Mary, spoke to the Commission about clam and scallop aquaculture. Professor Castagna is one of the foremost authorities on aquaculture. Claming in North Carolina is about a $7 million dollar industry, located mostly in Carteret County. Professor Castagna thinks the hard clam is an excellent species for North Carolina to grow.

Mr. Gregory Barnes, with the North Carolina Farm Bureau, spoke about farmers growing seafood from the mountains to the seashore. The Farm Bureau fully supports the Aquaculture Program.

Mr. Wayne Miller, Marketing Division Director for the Department of Agriculture and Mr. Jerry Schill, with the North Carolina Fisheries Association, discussed the marketing and promotion plans for seafood.

The Commission met in Swan Quarter and recognized Ms. Susanne Rogers, with the Waccamaw Indian Development Association. The Association is raising channel catfish and is very interested in aquaculture. They currently have six acres and are expanding to sixty acres.

Mr. Kenneth Pearce, President, American Farmers of the Seas, spoke to the Commission regarding general concerns of the fishing industry. He feels North Carolina lacks what is essential to most major industries -- a strong applied research program to develop new, more efficient equipment, production methods, and ways of problem solving. His organization needs an avenue to enhance, promote, and develop the seafood industry.

The Commission discussed commercial trawling fisherman and whether trawling demolishes smaller fish and shellfish, including oyster beds. The Commission decided this issue needs to be reviewed further.

The Seafood Study Commission held its next meeting in Raleigh, North Carolina on October 14, 1988. Dr. William Hogarth, Division of Marine Fisheries, North Carolina Department of Natural Resources and Community Development gave an up-date on the Artificial Reef Management Plan. The Commission discussed potential problems created by artificial reefs. North Carolina has sixty sites and the present goal is to enhance those sites, not to create new ones.

Dr. Hogarth said the main priority for the Division of Marine Fisheries was the shellfish mapping project. The purpose of the project is to locate and designate viable areas for aquaculture development. The Commission also recommended an appropriation to the oyster, clam and scallop program.

The Commission discussed the current penalties for trespass and theft of shellfish and recommended that the penalties be reviewed further.

Dr. Hogarth discussed when the king mackerel season closes for recreational fishermen and commercial fishermen. He is trying to extend the date set by the National Marine Fisheries. The Commission recommended that it review whether North Carolina would be better represented if the state were split between the Mid Atlantic and South Atlantic regions.

Dr. Hogarth indicated the flounder catch has dropped from 18 million pounds to 8 million pounds. Regulations were promulgated which enforce a 13 inch rule for flounder. To comply with the rule, it will be necessary for fishermen to change their gear. Dr. Hogarth believes the flounder catch will be up to between 10-12 million in three years.

The Seafood held its next meeting at the Aquaculture Conference on November 1, and November 2, 1988 in Greenville, North Carolina. The Commission attended the conference, along with 325 other participants. In addition, the Commission met separately to discuss its recommendations.

The final meeting of the Seafood Study Commission was held on December 12, 1988. The Commission approved the report and proposed legislation to the 1989 Session of the General Assembly.

Detailed minutes of the meetings are available in the Legislative Library.

IV. Appendix

Appendix A

Seafood Study Commission Membership and Staff

Lt. Governor's Appointments

Sen. Marc Basnight, Co-chair
P.O. Box 1025
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Commissioner of Agriculture's Appointments

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GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 1989

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

S D

89-RD-001
THIS IS A DRAFT 16-DEC-88 16:55:34

Short Title: JT. LEGIS SEAFOOD COMMS. AUTHORIZED (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ABOLISH THE SEAFOOD STUDY COMMISSION AND TRANSFER ITS FUNCTION TO THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE.

The General Assembly of North Carolina enacts:

Section 1. Chapter 120 of the General Statutes is amended by adding a new Article to read:

"Article 12E.

"Joint Legislative Commission on Seafood and Aquaculture.

"§ 120-70.51. Committee established.--The Joint Legislative Commission on Seafood and Aquaculture is hereby established as a permanent joint committee of the General Assembly. As used in this Article, the term 'Commission' means the Joint Legislative Commission on Seafood and Aquaculture.

"§ 120-70.52. Membership; cochairmen; vacancies; quorum.--The Joint Legislative Commission on Seafood and Aquaculture shall consist of eleven members: three Senators appointed by the President Pro Tem of the Senate; three Representatives appointed by the Speaker of the House of Representatives; three members

appointed by the Governor; and two members appointed by the Commissioner of Agriculture. The members shall serve at the pleasure of their appointing officer. The President Pro Tem of the Senate shall designate one Senator to serve as cochairman and the Speaker of the House of Representatives shall designate one Representative to serve as cochairman. Vacancies occurring on the Commission shall be filled in the same manner as initial appointments. A quorum of the Commission shall consist of six members.

"§ 120-70.53. Powers and duties.--The Commission shall have the following powers and duties:

(1) To monitor and study the current seafood industry in North Carolina including studies of the feasibility of increasing the State's production, processing, and marketing of seafood;

(2) To study the potential for increasing the role of aquaculture in all regions of the State;

(3) To evaluate the feasibility of creating a central permitting office for fishing and aquaculture matters.

(4) To evaluate actions of the Marine Fisheries Division of the Department of Natural Resources and Community Development, the Wildlife Resources Commission of the Department of Natural Resources and Community Development, and of any other board, commission, department, or agency of the State or local government as such actions relate to the seafood and aquaculture industries.

(5) To make recommendations regarding regulatory matters relating to the seafood and aquaculture industries including, but not limited to:

a. Increasing the State's representation and decision-making ability by dividing the State between the Atlantic and South Atlantic

regions of the National Division of Marine Fisheries; and

b. Evaluating the necessity to substantially increase penalties for trespass and theft of shellfish and other aquaculture products.

(6) To review and evaluate changes in federal law and regulations, relevant court decisions, and changes in technology affecting the seafood and aquaculture industries.

(7) To review existing and proposed State law and rules affecting the seafood and aquaculture industries and to determine whether any modification of law or rules is in the public interest;

(8) To make reports and recommendations, including draft legislation, to the General Assembly from time to time as to any matter relating to the powers and duties set out in this section; and

(9) To undertake such additional studies as it deems appropriate or as may from time to time be requested by the President of the Senate, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, either house of the General Assembly, the Legislative Research Commission, or the Joint Legislative Commission on Governmental Operations, and to make such reports and recommendations to the General Assembly regarding such studies as it deems appropriate.

"§ 120-70.54. Additional powers.--The Commission, while in the discharge of official duties, may exercise all the powers provided for under the provisions of G.S. 120-19, and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the call of either cochairman, whether or not the General Assembly is in session. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission.

"§ 120-70.55. Compensation and expenses of members.--Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1.

"§ 120-70.56. Staffing.--The Legislative Administrative Officer shall assign as staff to the Commission professional employees of the General Assembly, as approved by the Legislative Services Commission. Clerical staff shall be assigned to the Commission through the offices of the Supervisor of Clerks of the Senate and Supervisor of Clerks of the House of Representatives. The expenses of employment of clerical staff shall be borne by the Commission.

"§ 120-70.57. Funding.--From funds available to the General Assembly, the Legislative Services Commission shall allocate monies to fund the Commission created by this Part."

Sec. 2. The Joint Legislative Commission on Seafood and Aquaculture shall be a continuation of the Seafood Study Commission authorized by Section 27 of Chapter 873 of the 1987 Session Laws. The initial membership and Cochairmen of the Joint Legislative Commission on Seafood and Aquaculture shall be those persons serving as members and Cochairmen of the original Seafood Study Commission as previously authorized as of the effective date of this Part. Any unexpended funds previously available for the original Seafood Study Commission are hereby transferred to the Joint Legislative Commission on Seafood and Aquaculture created by this Part.

Sec. 3. There is appropriated from the General Fund to the Legislative Services Commission for fiscal year 1989-90 the sum of fifty thousand dollars ($50,000) to fund the Joint Legislative Commission on Seafood and Aquaculture authorized by Section 1 of this act.

Sec. 4. This act is effective upon ratification.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

D

S/H89-RD-002
THIS IS A DRAFT 16-DEC-88 16:55:39

Short Title: Seafood Funds. (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO PROVIDE FOR A SHELLFISH MAPPING SURVEY, EXPANSION OF THE OYSTER REHABILITATION PROGRAM, EXPANSION OF THE DIVISION OF MARINE FISHERIES LABORATORY FACILITIES, AND EXPANSION OF THE OYSTER CULTCH AND SHELLFISH RELAY PROGRAMS.

Whereas, there is insufficient information on the location and quantity of shellfish on the coast to meet current demands for fisheries management, aquaculture, protection of the coastal environment, and future development in the State of North Carolina; and

Whereas, appropriate areas suitable for aquaculture must be designated to utilize the potential for aquaculture expansion in this State; and

Whereas, the current capabilities of one vessel with shallow draft capabilities in the Oyster Rehabilitation Program cannot meet the needs of the entire Pamlico Sound area; and

Whereas, a new vessel could carry 2,000 or more bushels of shell and could be fitted with a conveyor for transplanting oyster stocks; and

Whereas, the North Carolina Division of Marine Fisheries facilities which currently house the Division of Marine Fisheries and Coastal Management, Shellfish Sanitation, Food Science and Fishery Resources are inadequate due to growth of those agencies; and

Whereas, production of oyster and shellfish will be increased in this State by using methods such as implantation of oyster cultch material, and oyster relaying from polluted to nonproductive areas; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to The Department of Natural Resources and Community Development, Division of Marine Fisheries, the sum of three hundred sixty-eight thousand two hundred fifty-seven dollars ($368,257) for the 1989-90 fiscal year and the sum of two hundred sixty-eight thousand two hundred fifty-seven dollars ($268,257) for the 1990-91 fiscal year, to conduct a shellfish mapping survey to determine areas suitable for aquaculture development.

Sec. 2. There is appropriated from the General Fund to The Department of Natural Resources and Community Development, Division of Marine Fisheries, the sum of four hundred thirteen thousand four hundred seventy-one dollars ($413,471) for the 1989-90 fiscal year and the sum of one hundred fifty-five thousand four hundred seventy-one dollars ($155,471) for the 1990-91 fiscal year, to expand the capabilities of the oyster rehabilitation program by adding a second shallow draft vessel to transplant oyster stocks.

Sec. 3. There is appropriated from the General Fund to The Department of Natural Resources and Community Development, Division of Marine Fisheries, the sum of seven hundred ninety-three thousand five hundred dollars ($793,500) for the 1990-91

fiscal year, to expand the wet laboratory facilities of the Division of Marine Fisheries in Morehead City, North Carolina.

Sec. 4. There is appropriated from the General Fund to The Department of Natural Resources and Community Development, Division of Marine Fisheries the sum of one million dollars ($1,000,000) for the 1989-91 biennium to expand the oyster cultch and shellfish relay programs in North Carolina.

Sec. 5. This act shall become effective July 1, 1990.